BRITISH COLUMBIA

BC STATS

Service BC
Ministry of Labour & Citizens' Services

Infoline

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- **BC manufacturing shipments edged up 0.2% in September**
- **Motor vehicle sales in BC and the territories inched up 0.1% in September**
- **In BC, there is approximately one police officer for every 560 people**

The Economy

- **Despite weakness in many major industries, shipments of goods manufactured in British Columbia inched up 0.2%, (*seasonally adjusted*) in September.** Producers of durable products (+0.8%) saw shipments rise for the third consecutive month. The value of wood shipments (+1.2%) increased despite falling prices for softwood and other wood products. BC producers of machinery (+3.5%), fabricated metals (+6.2%) and computer & electronic (+1.9%) products also made notable gains, managing to outweigh declines in the primary metal (-1.6%) and non-metallic mineral (-5.7%) industries. On the non-durables side, a drop in the shipment of paper products (-5.8%), offset increases in food (+5.2%) and chemicals (+0.6%). Overall, non-durables shipments were down 0.6%.

  PEI (+0.1%) and BC were the only provinces where shipments increased in September. The Canadian total was down 3.3% from August, its lowest level since December of 2004. Provincial slowdowns ranged from 0.1% in Newfoundland & Labrador to 9.4% in New Brunswick.

  Data Source: Statistics Canada

- **Sales of new motor vehicles in the area comprised of BC and the territories were relatively flat (+0.1% *seasonally adjusted*) in September.** Sales were down in every other province, resulting in a 4.2% slip at the national level. PEI (-9.9%) posted the most significant decrease followed by Quebec (-6.1%) and Alberta (-5.4%). September sales of trucks, vans & buses (-9.0%) took the biggest hit, and overseas-built passenger cars also slipped (-1.7%).

  Data Source: Statistics Canada

Transportation and Environment

- **In 2004, over a quarter of Canada's greenhouse gas (GHG) emissions were generated by transportation activities.** Between 1990 and 2004, the amount of fuel purchased at the pump grew by over 20% and GHG emissions from transportation increased 30%. Of the growth in transportation's emissions, approximately 86% came from road vehicles, particularly light trucks (such as sports utility vehicles and pickup trucks) and heavy-duty vehicles (such as transport trucks). The number of light trucks rose 26% between 2000 and 2005. Traffic jams appear to have contributed significantly to rising GHG emissions – it is estimated that approximately 500 million litres of fuel per year are wasted due to congestion.

  Despite the overall increase in transportation's GHG emissions, certain air pollutants have been on the decline. Emissions of nitrogen oxides from transportation dropped 19% between 1990 and 2004 and carbon monoxide fell 37%.

  Data Source: SC Cat. # 16-201-XIE

- **During the colder months of the year, 78% of British Columbians who commute to work travel by car, truck, van, sport utility vehicle, or motorcycle.** A further 11% use public transit to get to and from the workplace, while eight percent walk or cycle. Saskatchewan residents are the most likely to bike to work (9%) in cooler months, while those commuting in Ontario are the most likely to use public transit (13%). Not surprisingly, patterns change with the seasons. The proportion of BC commuters travelling on foot or on bicycle doubles in warmer months (16%). The percent of those travelling by motor vehicle drops to 71%, while the number of those using public transit in the

Report Provincial Export Profiles

Did you know...
An estimated 59% of Canadians who travel to work by bicycle enjoy their commute, compared to only 37% of those who travel by car. *Source: Statistics Canada, Canadian Social Trends*

province remains relatively unchanged (10%).

Data Source: SC, Households and the Environment Survey

Police

- **As of May, 2006 there were nearly 7,700 police officers in the province, equal to approximately one officer for every 560 British Columbians.** The number of police per 100,000 population in BC (179) was 2% higher than last year (a gain of approximately 160 officers) and up a significant 8% (approximately 500 officers) from 1996. Among the province's largest cities, there were 3,200 police officers in Vancouver, just over 500 in Victoria and 233 in Abbotsford, which adds up to one police officer per 674, 668, and 699 population, respectively.

  Saskatchewan, which has experienced an increase of nearly 10% in per capita police officer strength over the past decade, was the only province to exceed BC's growth. Other notable increases were seen in Newfoundland & Labrador, Prince Edward Island and Alberta (all up 5%). Despite the recent growth in BC's police force, the province remains below the national per capita rate of 192 officers per 100,000 Canadians. With a rate of 205 officers per 100,000 population, Saskatchewan had the highest rate for police strength among the provinces, while Newfoundland & Labrador (156) had the lowest.

  In 2006, slightly over a fifth (21%) of police officers in British Columbia were female, the highest proportion of any province or territory. The percentage of female police officers in Canada has been increasing steadily over the past few decades. While females represented just 4% of all police officers in the country in 1985, by 2006, their proportion had grown to 18%.

  Data Source: SC Cat.#85-225-XIE

Migration

- **In recent years, fewer Canadians are leaving the country, as departure rates return to their levels of the early 1990s.** Perhaps in response to the downturn in high-tech in both the United States and Canada, the number of people that have left Canada for other nations has fallen from a peak of about 27,000 in 2000 to about 15,000 in 2003. Income, age and immigration status are all considered to be important factors that affect the likelihood of leaving Canada for elsewhere. Further, the rate at which Canadians are returning is now close to double what it was in the early 1990s.

  Data Source: SC, Cat #11F0019MIE2006288

The Nation

- **Canada's hotel and motel operators have a less than rosy outlook for the fourth quarter of 2006.** Of those surveyed, the balance of opinion is relatively evenly split as to whether occupancy rates will be higher or lower. Half (51%) expected no change, while 29% felt rates would be lower and only 20% expected them to rise.

  Labour shortages continue to be a concern for hoteliers, with 36% reporting a shortage of skilled labour and 29% finding that unskilled labour was in short supply. Excess room supply (19%) and general economic conditions (22%) were also cited as potential hindrances. Only 23% of hoteliers reported no current difficulties in terms of business impediments.

  Data Source: Statistics Canada

- **Foreign investors reduced their holdings in Canadian securities by over $3.0 billion in September, ending a strong investment streak that began in January.** While non-residents acquired more than $330 million in money market paper, this was not enough to offset a $2.7 billion decrease in foreign holdings of Canadian stocks and a $660 million shedding of Canadian bonds.

  Meanwhile, Canadian investors picked up $2.6 billion in foreign securities, much of which was in bonds ($1.4 billion).

  Compared to the same quarter of 2005, both foreign investment in Canada and Canadian investment abroad were substantially higher in the third quarter of 2006. September proved to be the third consecutive month of strong purchases of foreign money market paper, leading to a record third quarter investment of nearly $5.0 billion in these instruments.

  Data Source: Statistics Canada

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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Contact: Dan Schrier (250) 387-0376
Originally published in *Exportss* Issue 06-08. Annual Subscription $60 +GST

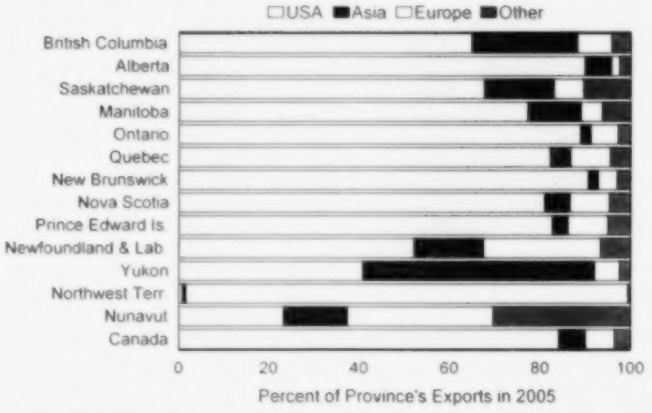
Provincial Export Profiles

Canada's provinces share many similarities, but they are also quite different in a number of ways and this is particularly true with regard to international exports. There are substantial differences among provinces in what, where and how goods are exported, highlighting just how vast this country really is.

Canada's provinces vary significantly with regard to international exports

For example, although 84% of Canadian goods exports were destined for the United States in 2005, there was considerable variation among some provinces in terms of destination of merchandise exports. In British Columbia, for instance, over one third of domestic exports originating in the province were shipped to destinations other than the United States. The US was still the target for the bulk of BC's exports (65%), but Asia was also a significant market for BC products with 23% of BC origin exports headed there, compared to only 6% of total Canadian goods exports. The most extreme example is the Northwest Territories, which ships 98% of its merchandise exports to Europe. In fact, in all three territories, in 2005, less than half of exports were shipped to the United States. In Yukon, just over half (51%) of goods were exported to Asia, while shipments from Nunavut were split between a variety of destinations.

The destination of Canadian exports varies significantly by province



Source: Statistics Canada

While the United States is the destination for the bulk of Canadian exports, there is considerable variation between the regions in terms of destination of exports

Geography is a partial determinant of where goods are shipped, as is the type of merchandise being exported. British Columbia's location on the west coast offers it an advantage when shipping to countries in Asia, but the nature of the goods produced in BC is more in demand in Asia compared to

the types of manufactured merchandise produced in provinces such as Ontario. BC's top exports are mainly resource-based products, particularly forest products. Wood and articles of wood, pulp and paper are all significant export products for BC. Products from the mining industry are other big BC exports, including coal, metals and other mineral products. While the US is a significant destination for these goods as well, Asia and, to a lesser extent, Europe, are also large markets for these commodities. The one major export from BC that is exported more or less exclusively to the United States is energy, either in the form of electricity or natural gas.

Energy products are by far the most significant exports from Alberta and once again they are shipped almost exclusively to the United States, which is why 90% of Alberta's commodity exports were destined for the US in 2005. Surprisingly, energy products were also the top exports from the Prairie provinces of Saskatchewan and Manitoba, rather than agricultural goods as one might expect. Petroleum products represented over a third (34%) of Saskatchewan's total exports in 2005 and electricity and petroleum together were Manitoba's top export. In fact, in Manitoba, agricultural products also took a backseat to vehicle exports, such as tractors and diesel-powered buses, as well as other machinery and equipment. Nevertheless, cereal products such as wheat were important exports for both Manitoba and Saskatchewan and fertilisers, such as potash, were second only to energy as an export from Saskatchewan.

Energy products such as petroleum, natural gas and electricity top the list of exports for several Canadian provinces, including the Prairie Provinces

Ontario is seen as the manufacturing hub of Canada and the types of goods exported from that province support that view. Automobiles and parts are by far the most important merchandise export from Ontario. Vehicles and parts comprised 40% of Ontario origin exports in 2005. Quebec also has significant exports of manufactured goods, such as aircraft and parts from their world class aircraft industry, but it also ships a substantial amount of forest products such as paper and wood. Aluminum is another of the top merchandise exports from Quebec.

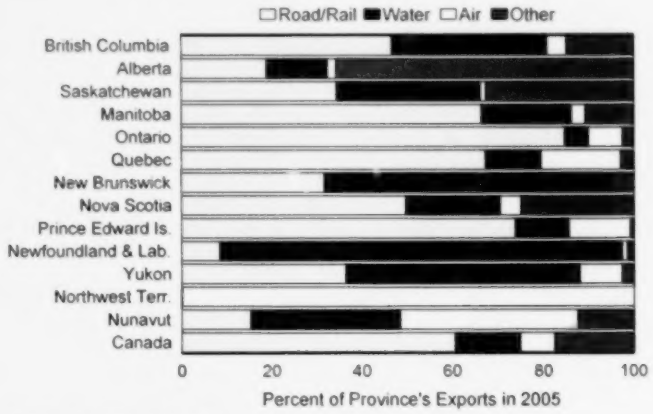
Automobiles and other manufactured goods figure prominently in Ontario's exports, while aircraft and forest products are Quebec's top exports

In the Atlantic provinces, energy was the main export with gasoline among the top exports for New Brunswick and Newfoundland and Labrador, and natural gas a main export of Nova Scotia. Agricultural goods and seafood products were also significant exports for all four Atlantic provinces. The mining sector plays the largest role in exports from Yukon and the Northwest Territories. Tungsten ores and concentrates made up half of Yukon's merchandise exports in 2005, while diamonds comprised almost all of the Northwest Territories shipments (99.8%).

The destination and type of goods exported usually determine how those goods are shipped and with the provincial variation in these factors, it is not all that surprising that there are also significant differences in the mode of transport of exported goods. For Canada as a whole, road and rail are the mode of transport for about 60% of exported goods. Since the United States is such a significant destination for Canadian goods, this shouldn't come as a surprise; however, there are significant variations among the provinces

and territories. In the Northwest Territories, for example, where most exports are diamonds shipped to Europe, air transport is virtually always the mode of choice. In Alberta, where energy products top the list of exports, pipelines and power lines (the "other" category in the chart below) transport two-thirds of that province's merchandise exports.

Goods from different provinces travel by different modes



Source: Statistics Canada

The mode of transport differs depending on the destination and the type of goods being transported, which is why there is significant variation by province

Marine transport is the mode for only 14% of total Canadian exports, but for most coastal provinces, it is a far more significant means of moving goods. For Newfoundland and Labrador, 89% of goods exports were shipped over water in 2005. New Brunswick (63%) and Yukon (52%) also had over half of their exports shipped by boat. Over a third (34%) of BC's merchandise exports were shipped over water in 2005 and even for some of the landlocked Prairie Provinces, water was a significant mode of transport, mainly due to the significant quantities of grain shipped through the Port of Vancouver in BC.[1]

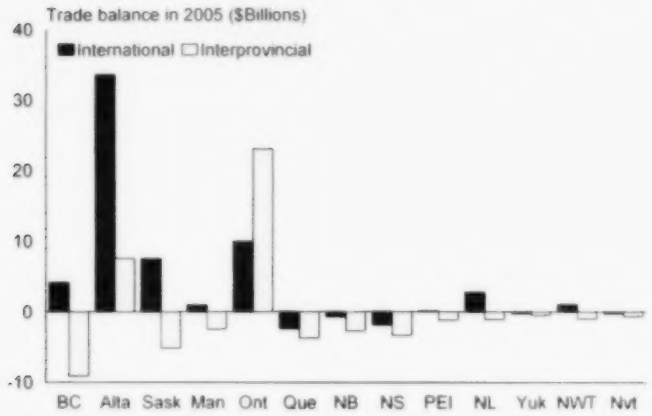
Transport over land by road or rail is the top mode of transport for Canada, but for some provinces, water, air and other modes, such as pipelines and power lines, are more often the mode used to transport exported goods

Less than 8% of Canadian exports travelled by air, mainly due to the higher expense of this mode of transport. However, air transport was significant for some regions of the country. In addition to the Northwest Territories already mentioned, the remote Nunavut territory shipped over a third (39%) of its exports by air, while Quebec (18%) and Prince Edward Island (14%) also had double-digit figures for exports shipped by air. For Quebec, a large portion of these goods shipped by air were the aircraft themselves.

[1] For the purposes of export data, the mode of transport is that used to transport the goods from point of exit out of the country. Grain is shipped to BC by rail and then loaded onto a boat to be transported internationally, so the mode of transport is recorded as over water, rather than by rail.

Although the Canadian provinces and territories vary substantially in many ways, they do share a common trait of relying significantly on trade. Overall, Canada had a surplus in trade of goods and services with the rest of the world of over $54 billion in 2005. However, only eight of the 13 provinces and territories also had a surplus of exports over imports. Quebec had the largest international trade deficit at $2.3 billion, followed by Nova Scotia at $1.8 billion. New Brunswick, Yukon and Nunavut also imported more than they exported. The high price of energy insured that Alberta's trade surplus was strongly positive and it led the country by far with a $33.5 billion international trade surplus. Ontario ($9.9 billion) and Saskatchewan ($7.5 billion) were well behind and BC's $4.1 billion surplus ranked fourth in the country.

Only Ontario and Alberta have both an international anc interprovincial commodity trade surplus



Source: Statistics Canada (National Accounts data - Balance of Payments basis)

While most provinces have a surplus in trade with other countries, only Ontario and Alberta have a surplus in trade with other provinces

While many provinces had a surplus in trade with other countries, only two - Ontario and Alberta - also had a surplus in trade with other provinces. British Columbia had the largest interprovincial trade deficit in 2005, at $9.1 billion, which more than offset its international trade surplus and resulted in an overall $5.0 billion trade deficit. The types of goods and services produced in each province are the major reason for the flow of trade, either to other provinces or other countries. Ontario's manufactured goods and Alberta's energy products are in demand throughout the country, while many of the resource-based products are present in each province and therefore the demand for these goods is mostly from other countries.

Canada is a country with a wide range of landscapes and climates, so perhaps it is not all that surprising that there are large variations in trade profiles. As demands change and different countries emerge as economic powers, some of these profiles may shift, but trade will remain an important aspect of provincial economies.

Infoline

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BC at a glance . . .

POPULATION (thousands)	Jul 1/06	% change on one year ago
BC	4,310.5	1.2
Canada	32,623.5	1.0
GDP and INCOME (Revised Nov 8)		
(BC - at market prices)	2005	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	168,855	7.2
GDP *($ 1997 millions)*	145,501	3.7
GDP *($ 1997 per Capita)*	34,173	2.4
Personal Disposable Income *($ 1997 per Capita)*	20,983	2.4
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Sep	3,532	0.2
Merchandise Exports - Sep	2,791	4.3
Retail Sales - Aug	4,536	1.0
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Sep 2006)		
BC	1.0	1.9
Vancouver	1.4	1.8
Victoria	0.7	1.9
Canada	0.7	2.2
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Oct '06	prev. month
Labour Force - BC	2,322	0.4
Employed - BC	2,214	0.6
Unemployed - BC	108	-3.1
		Sep '06
Unemployment Rate - BC *(percent)*	4.6	4.8
Unemployment Rate - Canada *(percent)*	6.2	6.4
INTEREST RATES (percent)	Nov 15/06	Nov 16/05
Prime Business Rate	6.00	4.75
Conventional Mortgages - 1 year	6.40	5.40
- 5 year	6.60	6.15
US/CANADA EXCHANGE RATE	Nov 15/06	Nov 16/05
(avg. noon spot rate) Cdn $	1.1390	1.1918
US $ *(reciprocal of the closing rate)*	0.8781	0.8379
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Oct '06	one year ago
BC	732.68	3.7
Canada	733.76	3.2

SOURCES:

Population, Gross Domestic Product, Trade } Statistics Canada
Prices, Labour Force, Wage Rate } Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics
For latest Weekly Financial Statistics see www.bankofcanada.ca

Small Business Quarterly (FREE)

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www.bcstats.gov.bc.ca/pubs/pr_sbq.asp

A Guide to the BC Economy and Labour Market

The third edition of the *Guide* is now available. The *Guide* is a useful resource which provides an overview of the provincial economy and the characteristics of its workforce. Written by Lillian Hallin of BC Stats, it focuses on provincial industries with an emphasis on their human resource side. Economic terms are explained and examples provided, so that a background in economics is not needed to understand the material. The *Guide* also provides an historical perspective on how the provincial economy has developed, as well as what it may look like in the future.

www.bcstats.gov.bc.ca/pubs/econ_gui.asp

Released this week by BC STATS

- Quarterly Regional Statistics, 3rd Quarter 2006

Next week

- Business Indicators
- Consumer Price Index
- Current Statistics

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